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NEW HAMPSHIRE 2012 MEALS & RENTALS TAX BOOKLET RSA 78-A - REV 700

This booklet contains the following New Hampshire state tax forms and instructions necessary for the monthly and seasonal filing of the Meals & Rentals Tax (M&R).

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E-file at www.revenue.nh.gov

or

Telefile at 1-800-328-4557

IMPORTANT MESSAGE REGARDING TAX BOOKLETS:

Due to increased printing costs and postage fees, this is the last year that tax booklets will be automatically mailed to you. Forms may be downloaded for free from our web site at www.revenue.nh.gov/forms or ordered by telephone at (603) 230-5001.

M&R TAX LICENSE REQUIREMENT

The M&R Tax is a tax assessed upon the rental of vacation homes, patrons of hotels, restaurants and renters of motor vehicles based on the rents charged and upon meals and/or alcohol costing \$.36 or more. A Meals & Rentals Tax Operators License is required by anyone engaging in business activities as defined in RSA 78-A. Questions concerning licensing requirements should be directed to the Department by calling (603) 230-5900.

TAX RATE: A 9% tax is assessed upon patrons of hotels and restaurants, on meals, alcohol and rooms costing \$.36 or more. A 9% tax is also assessed on motor vehicle rentals.

WHEN TO FILE AND PAY TAX

You must file on or before the 15th of the following month (see schedule on worksheet for exceptions). A payment made with E-FILE or TELEFILE returns will not be deducted from your bank account until the day after the due date (generally the 16th of each month). You may access the TELEFILE and E-FILE systems 24 hours a day, 7 days a week. The postmark on your envelope does not constitute a timely filed return. The Department must receive paper returns no later than the due date. To avoid delays in processing paper returns, operators must use the M&R Return provided by the Department and submit it with an original signature.

WORKSHEET AND RECORDKEEPING

Every operator is required to complete the worksheet monthly. Operators filing by E-FILE shall print a hard copy monthly. All records shall be retained for three years from the due date of the tax or the date the return was filed, whichever is later.

TAXABLE RENT: The types of property for which taxable rent shall be collected include, but not are limited to: any type of shelter which provides sleeping accommodations such as vacation homes, hotels, houses, cottages, apartments, lodges of any kind, chalets, or rooms.

SEASONAL FILERS: Do not complete the "last day of business" section on a return unless you have actually ceased doing business entirely.

TAXES AS A PERSONAL DEBT TO STATE: All taxes required to be paid by operators, and all increases, interest, and penalties on the taxes, become a personal debt of the operator from the time due and payable to the Commissioner of Revenue Administration, pursuant to RSA 78-A:20.

TRANSACTION DOCUMENTATION: E-FILERS print a copy of your completed transaction prior to exiting the E-FILE System. Retain this copy as a record of your transaction and confirmation number.

CHECK 21: When you provide a check as payment, you authorize the State of New Hampshire to either use the information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check. For inquiries, call 603-230-5920.

NEED FORMS: Copies of forms, laws and administrative rules may be obtained for free from our web site at www.revenue.nh.gov. Forms may be ordered for free by calling our forms line at (603) 230-5001.

NEED HELP: This booklet contains general information to assist you in complying with your tax obligation. Rules, laws and answers to Frequently Asked Questions (FAQs) are available from our web site at www.nh.gov/revenue. If you have any questions regarding the M&R Tax, the TELEFILE System or the E-FILE System, Central Tax Services is available between 8:00 am and 4:30 pm, Monday through Friday at (603) 230-5920.

Individuals who need auxiliary aids for effective communication in programs and services of the New Hampshire Department of Revenue Administration are invited to make their needs and preferences known. Individuals with hearing or speech impairments may call TDD Access: Relay 1-800-735-2964.

NOTE: You may be required to file New Hampshire business tax returns if your gross business income exceeds \$50,000. See page 9 for details on Business Profits Tax and Business Enterprise Tax or call Central Tax Services at (603) 230-5920.

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
MEALS & RENTALS TAX BOOKLET
 GENERAL INFORMATION

M&R TAX LICENSE REQUIREMENT

The M&R Tax is a tax assessed upon the rental of vacation homes, patrons of hotels, restaurants and renters of motor vehicles based on the rents charged and upon meals and/or alcohol costing \$.36 or more. A Meals & Rentals Tax Operators License is required by anyone engaging in business activities as defined in RSA 78-A. Questions concerning licensing requirements should be directed to the Department by calling (603) 230-5900.

WHO MUST FILE

Every operator having a New Hampshire M&R Tax license must file a Meals & Rentals Tax return. **Operators must report monthly, even when no tax is due.** Approved seasonal operators must file returns for each month of their approved season.

WORKSHEET

Every operator is required to complete the worksheet monthly. Operators filing by E-FILE shall print a hard copy monthly. All records, including the worksheet, shall be retained for three years from the due date of the tax or the date the return was filed, whichever is later.

ELECTRONIC FILING

To report the M&R Tax information electronically, the operator can use either the TELEFILE or the E-FILE options explained below.

ELECTRONIC PAYMENTS

For each M&R operator filing electronically, the operator shall enter his/her banking information while using E-FILE or TELEFILE to submit a return. This ACH Debit Authorization allows the Department to electronically process the payment of tax due from the account specified by the operator. This ACH Debit Authorization remains in effect until the operator changes it via E-FILE or TELEFILE.

TELEFILE

- After completing the worksheet contained in this booklet, the TELEFILE system may be accessed by dialing 1-800-328-4557 from a touch-tone telephone 24 hours a day, 7 days a week. Listen carefully to the prompts, then make your selection.
- The automated system will prompt the operator to provide their license number and PIN prior to entering certain tax information from the prepared worksheet.
- After entering your M&R license number and PIN, you will have the opportunity to 1) file your return; 2) create or change your bank information 3) create or change your PIN; or 4) delete a previously filed transaction up to 2:00 pm the day before the due date of the transaction, or any combination of the four options.
- The TELEFILE system will provide step-by-step instructions on filing your return. If at any time during the filing process you do not hear the instructions, wait a few seconds and TELEFILE will repeat them to you. You will have several opportunities to enter the requested entry prior to having the call disconnected.
- Once the tax information has been entered and verified, TELEFILE will issue a ten (10) digit confirmation number as a record of the filing transaction.
- The operator should write this confirmation number on Line 22 of the worksheet. Questions concerning the TELEFILE or E-FILE systems may be directed to (603) 230-5920 Monday - Friday, 8:00 am - 4:30 pm.

VERIFYING CORRECT INFORMATION

After each item of tax information has been entered, TELEFILE will repeat the information and will request you to acknowledge the accuracy of the entry.

TELEFILE EXAMPLE: "You have entered Three Thousand One Hundred Ninety Seven Dollars. Press 1 if correct or press 2 to re-enter". If the entry should be 2197 instead of 3197, you would press 2. TELEFILE will again instruct you to enter the information and verify the amount.

VERIFYING BANK INFORMATION

The TELEFILE System will ask you to verify the last 4 digits of your bank account prior to issuing a confirmation number. Make sure the numbers match.

E-FILE

Operators may file via the Internet by using their TELEFILE PIN or by creating a new PIN. The E-FILE program will prompt the user to enter necessary tax information and, upon completion, will automatically transmit the information to the New Hampshire Department of Revenue Administration. The E-FILE program is available through the Department's web site www.revenue.nh.gov. E-FILE help instructions and help screens are available on-line to assist you.

E-FILE DRA

- Access the Department's web site www.revenue.nh.gov, select E-FILE DRA, and then select "Meals & Rentals Tax" and follow the prompts.
- When you have completed and verified all return entries you are ready to transmit your return and payment.
- Upon completion of the transaction a confirmation number will be displayed.
- Once confirmation has been displayed, **you must print a copy of the filing** to maintain in your records.

CHANGING THE PIN NUMBER / BANKING INFORMATION

You can create or change your PIN and/or your banking information at the time you file a return using the E-FILE system or the TELEFILE system. Follow the instructions carefully. The changes you make will remain in effect until you change them. You may access E-FILE at www.revenue.nh.gov or TELEFILE at 1-800-328-4557.

ENTERING DOLLAR AMOUNTS

When filing returns and estimates, all dollar amounts must be entered on the E-FILE AND TELEFILE Systems in WHOLE DOLLARS. DO NOT ENTER CENTS. For each TELEFILE entry which requires a dollar amount, you will be asked to enter the pound sign (#) once you have completely entered any dollar amount. The pound sign (#) may be found just below the number 9 of your touch-tone telephone keypad. For example, an operator reporting a meals tax of \$3,197.24 would enter as follows: TELEFILE: "Enter the total meals tax. Enter this amount followed by the pound key (#), now." M&R FILER enters: "3197#"

CONFIRMATION NUMBER

A 10-digit confirmation number will be provided at the conclusion of all TELEFILE and E-FILE transactions. This confirmation number will provide a record of the electronic filing transaction and should be retained in the operator's records. (Note: A space has been provided to record this item on Line 22 of the worksheet contained within this booklet.)

AMENDED & FINAL RETURNS

You may not file amended or final returns through TELEFILE.

Amended returns may be filed by E-FILE or paper by using the Meals & Rentals Tax Return (DP-14) contained in this booklet. If filing a final Meals & Rentals Tax Return, you must file a paper return and your Meals & Rentals Tax Operators License must be returned to the Department. If you need additional forms, you may access them on our web site at www.revenue.nh.gov, you may copy those found in this booklet or call (603) 230-5001. Questions concerning amended or final returns may be directed to (603) 230-5920.

WHEN TO FILE AND PAY TAX

E-FILE or TELEFILE returns filed timely will not have the payment, which is on Line 20 of the worksheet, deducted from their bank account until the next business day **after the return due date** (generally the 16th of each month). E-FILE or TELEFILE payments for late filed returns will be deducted on the next business day following the day the return was filed. You may access the TELEFILE and E-FILE systems 24 hours a day, 7 days a week. E-FILE or TELEFILE returns will be considered timely filed when a confirmation number is received by the TELEFILE or E-FILE system prior to 12:00 midnight on the date due. **The postmark on your envelope does not constitute a timely filed return. Paper returns must be received by the Department no later than the due date.**

INTEREST AND PENALTIES

Interest and penalties will be charged on all late filed and late paid returns. For assistance in calculating interest and penalties see instructions. Payments are applied in accordance with Rev 2903.05.

RETURNS ELIGIBILITY REQUIREMENTS FOR 3% COMMISSION AND PAPER RETURNING FILING

Per RSA 78-A:7,III operators are permitted to take a commission equal to 3% of the tax due if they meet all of the following requirements: (1) keep the prescribed records; (2) file the return timely; (3) pay the tax due timely; and (4) follow the appropriate method of filing.

Operators may elect to file paper returns rather than file electronically; however, this election will result in the **loss of the 3% commission**, if taxable revenue was equal to or greater than \$25,000 in the prior calendar year. Operators are reminded to self-monitor their gross receipts to avoid loss of their commission and assessment of applicable penalties.

Failure to keep adequate records will result in the loss of any 3% commissions taken, the assessment of a 10%, 25% or 50% penalty on any additional tax due and/or the suspension/revocation of the operator's license.

CONSOLIDATED REPORTING

Operators having more than one license may request permission in writing to file on a consolidated basis provided all licenses use the same federal employer identification number. The request to the Department shall include the following:

- Operator's designation of one license number to be the master license number;
- Business name and each license number for each member of the consolidated group;
- Address for each license; and
- A statement that the operator agrees to the requirements of Rev 704.05.

To qualify for consolidated reporting the operator agrees:

- To notify the Department, in writing, of any additions or deletions to the consolidated group within ten (10) days of any change;
- To continue to use the designated master license number unless written approval has been granted to change the designation;
- To keep records readily available which show activity by month for each individual license;
- To permit the Department to make an assessment against and collect from the master license for any member of the consolidated group when the required records are not made available; and
- If the consolidated return is late or the payment is late, then interest and penalties shall be applied as if individual returns had been filed.

QUARTERLY FILERS

Any operator who has been in business for a full year whose year-round business has an average monthly tax liability of less than \$100 per month may request in writing to file quarterly returns. For additional information, please call (603) 230-5920.

SEASONAL FILERS

Any operator whose business is not open year round may request in writing to file only for the months operated during the year provided the filing months are consecutive. Operators previously approved for seasonal filing need **NOT** reapply to file seasonally each year unless their season changes. For additional information, please call (603) 230-5920.

ENTITY CHANGE

Entity changes in businesses **require a new license**. Form CD-3 must be submitted to obtain a new license.

A final return and surrender of the former entity's license is required. See "Amended + Final Returns" section on previous page of instructions for additional information.

UPDATES & CHANGES

Operators must complete and file the Form CD-100 and submit it to the Department any time there is an address change, name change, or change in business status.

RENTAL OF VACATION HOMES

Tax must be collected and remitted on the rental charge of a vacation home, even if the rental is only one day. The taxability of the rental is not affected by whether the property is classified as a summer home, seasonal rental, hobby rental, timeshare, investment property or business property. The taxability is also not affected by whether the property is owned by an individual, estate, trust, corporation, partnership, limited liability company, or other type of entity. A monthly or seasonal Meals & Rentals Tax Operator's License is required and must be publicly displayed on the property.

NEED FORMS?

To obtain additional forms or forms not contained in this booklet, please call (603) 230-5001. Copies of the state tax forms may also be obtained from our web site at www.revenue.nh.gov or by visiting any of the 21 Depository Libraries located throughout the state.

NEED HELP?

Call (603) 230-5920, Monday through Friday, 8:00 am to 4:30 pm. All written correspondence to the Department should include the operator name, license number, tax period, the name of a contact person and a daytime telephone number and should be sent to New Hampshire Department of Revenue Administration, PO Box 454, Concord NH 03302-0454. Individuals with hearing or speech impairments may call TDD access: Relay NH 1-800-735-2964.

Prior to filing a return, all licensed operators must complete the WORKSHEET found in this booklet. This worksheet will provide an historical record of the Meals & Rentals Tax reported by your business each month during the year. The worksheet is to be maintained with your records for three (3) years from the due date of tax or date the return is filed, whichever is later. **When using E-FILE, follow the instructions on the screen.**

The shaded lines on the Meals & Rentals Tax worksheet are the ONLY entries that the TELEFILE system will request you to enter or verify when filing your return. Enter ONLY the requested items. DO NOT ENTER YOUR GROSS SALES RECEIPTS ON TELEFILE. If you have questions regarding these entries, call (603) 230-5920.

ENTER your business name on the line in the upper left corner of the worksheet.

ENTER your **six (6)** digit Meals & Rentals Tax Operators License number in the block located in the upper left corner of the worksheet.

DO NOT ENTER your personal identification number (PIN) on the worksheet. The PIN is necessary for filing your return on the TELEFILE and/or the E-FILE system; however, this number should not be disclosed to anyone **except** those persons specifically authorized to act on your behalf.

RECEIPTS FROM MEALS & BEVERAGES

LINE 1: Enter the net receipts/net sales for the period for items sold if the tax **is not** included in the price of the item sold.

LINE 2: Multiply Line 1 x .09 and **Enter** on Line 2.

LINE 3: Enter the gross receipts/gross sales for the period for items if the tax **is** included in the price of the item sold.

LINE 4: Multiply Line 3 x .0826 and **Enter** on Line 4.

LINE 5: Enter the TOTAL MEALS TAX, Line 2 plus Line 4. Round to the nearest dollar and **ENTER WHOLE DOLLARS ONLY.**

Receipts from Rentals - See RSA 78-A:3, III for a list of taxable accommodations.

LINE 6: Enter the total room rental receipts minus any tax-exempt amount described on Line 21. Campsites are considered taxable rentals during the period 07/01/2009 through 05/02/2010.

LINE 7: Enter permanent resident receipts. (Receipts received from occupants having greater than 185 days of continuous occupancy are not subject to the Meals & Rentals Tax.)

LINE 8: Enter the taxable room rental receipts, Line 6 minus Line 7.

LINE 9: Enter the TOTAL ROOM RENTAL TAX. Check the rate which applies. Line 8 x 0.09 if tax excluded or 0.0826 if tax included. Round to the nearest dollar and **ENTER WHOLE DOLLARS ONLY.**

LINE 10: Enter the total motor vehicle rental receipts.

LINE 11: Enter the TOTAL MOTOR VEHICLE RENTAL TAX. Check the rate which applies. Line 10 x 0.09 if tax excluded or 0.0826 if tax included. Round to the nearest dollar and **ENTER WHOLE DOLLARS ONLY.**

LINE 12: Enter the total amount of tax, by adding Line 5 plus Line 9 plus Line 11 to calculate the total amount of the tax.

NOTE: Operators who substantially understate their tax on Line 12

may be assessed a penalty by the Department in the amount of 25% of any underpayment of the tax. A substantial understatement is one which exceeds the greater of 10% of the amount of tax (Line 12) or \$5,000.

Deductions and Additions: Commission of 3% may be taken by operators who timely file in accordance with RSA 78-A:8. Commission MAY NOT be deducted by an operator not meeting the requirements of RSA 78-A:7, III. (See eligibility requirements for 3% commission and paper returns in General Instructions.)

Deductions:

LINE 13: Multiply Line 12 x 0.03 and **Enter** total on Line 13.

LINE 14: Enter payments made in advance of the due date for the current tax period **or** any Credit Memo you have **received** from the Department.

LINE 15: Enter total deductions, Line 13 plus Line 14.

Additions:

LINE 16: Tax due not timely paid shall have interest at a rate of 6% per annum for returns due in the year 2012. The interest is calculated on the balance of tax due from the original due date to the date paid.

Multiply the number of days late x .000164 by the net tax due. **Enter** this amount on Line 16. **Example: To calculate interest on a return 15 days late with a tax due of \$500, see below.**

$$15 \text{ days late} \times .000164 = .00288 \times \$500 = \underline{\$1.23 \text{ interest due}}$$

LINE 17: Tax due not timely paid may have a penalty for failure to pay imposed. A penalty equal to 10% of any nonpayment or underpayment of taxes shall be imposed if the operator fails to pay when due. If the failure to pay is due to fraud, the penalty shall be 50% of the amount of the nonpayment or underpayment. **Multiply** the Net Tax Due (Line 12 minus Line 15) by 10% and **Enter** on Line 17. **Example: To calculate the 10% penalty for failure to pay on \$500 tax, see below.**

$$\$500 \times .10 \text{ penalty for failure to pay} = \underline{\$50 \text{ penalty due}}$$

LINE 18: An operator failing to timely file a complete return may be subject to a penalty for failure to file equal to 5% of the tax due or \$10, whichever is greater, for each month or part thereof that the return remains unfiled or incomplete. The total amount of this penalty shall not exceed 25% of the balance of the tax due or \$50, whichever is greater. Calculate this penalty starting from the original due date of the return until the date a complete return has been filed.

Multiply the Net Tax Due (Line 12 minus Line 15) by the percentage which applies and **Enter** the penalty for failure to file on Line 18.

Example: To calculate the penalty for failure to file, see below.

Tax is:	Due date:	When filed:	Failure to file penalty due:
\$500	1/15	1/16 - 2/15	\$25 (tax x 5%) or \$10 whichever is greater
\$500	1/15	2/16 - 3/15*	\$50 (tax x 10%) or \$20 whichever is greater
\$500	1/15	3/16 - 4/15	\$75 (tax x 15%) or \$30 whichever is greater
\$500	1/15	4/16 - 5/15	\$100 (tax x 20%) or \$40 whichever is greater
\$500	1/15	on or after 5/16	\$125 (tax x 25%) or \$50 whichever is greater

* If the return is due on 1/15 and filed on 2/16, the penalty is calculated at 10%: 5% for the first month, (1/16-2/15) and an additional 5% for each subsequent month or part of the second month not to exceed 25% of the balance of the tax due or \$50, whichever is greater.

LINE 19 Enter the sum of Lines 16, 17 and 18.

LINE 20: Enter the TOTAL PAYMENT DUE, Line 12 minus Line 15 plus Line 19. Round to the nearest dollar and **ENTER WHOLE DOLLARS ONLY**. The amount entered here is the amount to be deducted from the account you have authorized for this purpose.

NOTE: For operators filing a paper return, Form DP-14, enclose a check payable to the State of New Hampshire for the amount shown on Line 20. If less than \$1.00 do not pay but still file the return.

TELEFILE and E-FILE returns filed timely will have the payment, on Line 20, deducted from the operator's designated account the next business day AFTER THE RETURN DUE DATE (commonly on the 16th of the month). TELEFILE and E-FILE payments for late filed returns will be deducted the NEXT BUSINESS DAY following the day the return was filed.

LINE 21: Enter the total Meals and Rentals receipts which are exempt from taxation. For example: federal, NH state and NH municipal employees on government business and having the proper documentation may be exempt from the payment of this tax. For further clarification, contact the Department at (603) 230-5920. Do not include permanent resident receipts on this line.

LINE 22: TELEFILERS should enter the 10 digit confirmation number assigned by the TELEFILE System at the conclusion of your filing. This number is an important record of your TELEFILE transaction and will be requested should any research of your electronic filing be required. Enter this number on your worksheet in the block under the corresponding tax period. E-FILERS should print a copy of their confirmation prior to exiting the E-FILE system. TELEFILERS and E-FILERS must continue to the end of the program to complete transaction and receive a confirmation number.

IF YOU DID NOT RECEIVE A CONFIRMATION NUMBER, YOUR TRANSACTION DID NOT TRANSMIT TO THE DEPARTMENT.

FREQUENTLY ASKED QUESTIONS

ARE NON-PROFITS EXEMPT FROM THE MEALS & RENTALS TAX?

No organization, including non-profit organizations, are exempt from the Meals and Rentals Tax. However, there are limited exemptions for the following:

- Meals and Rentals charges incurred in the course of official business by federal government employees, New Hampshire state, county or municipal employees. The operator must receive a purchase order from the governmental entity and payment from the government's treasurer or through a government authorized credit card.
- Persons possessing diplomatic tax exempt cards issued by the US Department of State.
- Rents incurred as the result of the partial or complete destruction of a person's permanent residence.
- Meals paid for with food stamps/coupons.
- Some schools and students.

If you have any questions about tax exempt sales, please call the Department at (603) 230-5030. The State of New Hampshire does not issue Meals & Rentals Tax exempt certificates.

WHAT RECORDS DO I NEED TO KEEP AND FOR HOW LONG?

Keep all records used to record and report your Meals & Rentals Tax for three (3) years from the due date of the tax or the date the return was filed, whichever is later. This includes the TELEFILE worksheet, E-FILE screen prints, cash receipts journals, cash disbursement journals, general ledgers, payroll records, complete cash register tapes, guest checks and registration cards, bank statements with all enclosures and any other source document used in your accounting records. If you sell both taxable and non-taxable items, you must maintain records which justify the non-taxable sales.

DO I NEED A SEPARATE LICENSE FOR CATERING? Yes, a license is required for each fixed location where meals are regularly served and a separate license where meals are occasionally served for events such as, but not limited to: banquets, weddings, barbecues, outings, picnics, private homes, etc.

HOW ARE BAKERY PRODUCTS TAXED? All bakery products sold in quantities of less than six from a restaurant are taxable. A bakery is classified as a restaurant when it offers other taxable items for sale such as, but not limited to, coffee, soda, sandwiches, salads from the salad bar, and/or prepared foods. The taxability of bakery products is not affected by whether the bakery product is served to be eaten on premise or on a "to go" basis.

HOW SHOULD I HANDLE COUPONS AND DISCOUNT SALES? The tax should be applied to the sale amount after the discount or coupon reduction has been taken.

ARE GRATUITIES AND SERVICE CHARGES TAXED? Mandatory gratuity and service charges added to the charge for a meal or room may be taxed in certain circumstances. See RSA 78-A:6-a for more information.

ARE PARTY PLATTERS TAXABLE EVEN IF I AM NOT SERVING?

Yes, party platters such as, but not limited to, vegetable, meat, dessert, fruit, and hors-d'oeuvres, are taxable whether delivered, picked up, served or not.

ARE FUNCTION ROOM RENTALS TAXABLE? Yes, any type of room rental in a hotel (or any facility with sleeping accommodations) is subject to the tax.

WHAT CHARGES ASSOCIATED WITH AUTOMOBILE RENTALS ARE TAXABLE?

All charges included in the rental agreement are taxable including but not limited to airport fees, drop off fees and under age fees. The following items are not subject to the tax when separately stated in the agreement. Example:

- Charges for fuel
- Charges for insurance
- Charges for damages

If the motor vehicle lease or rental agreement does not exceed 180 consecutive days, the lease or rental is subject to the Meals & Rentals Tax.

WHEN IS LONG TERM ROOM RENTAL SUBJECT TO THE MEALS & RENTALS TAX?

Tax must be collected on all room rentals of less than 185 consecutive days. When a patron reaches the 185th consecutive day of occupancy, the operator must refund to the patron the tax monies that have been collected. The operator must then send to the Department verification of the refund (a copy of the canceled check or a signed statement from the patron that he/she has received the refund) along with documentation supporting the length of occupancy to the Audit Division PO Box 457, Concord, NH 03302-0457. The Department will then issue a credit memo. Once the credit memo is received, the operator may use it to reduce a subsequent tax payment. The credit memo amount should be entered on Line 14 of the Meals & Rentals Tax worksheet. Note: Operators may not utilize any credit amount until they have received a credit memo from the Department. Operators should utilize the amount of the most recent credit memo they have received as the total is cumulative.

DO I NEED TO FILE A RETURN EVERY MONTH EVEN IF I HAVE NO ACTIVITY?

Yes, you must file a return even if you have had no activity during your scheduled reporting periods.

WHERE CAN I GET A COPY OF THE MEALS & RENTALS TAX LAW AND RULES?

The Meals & Rentals Tax law (RSA 78-A) and Administrative Rules (Chapter 700) are available for free through the Department's website on the Internet at www.revenue.nh.gov or copies can be made for a fee by visiting the New Hampshire State Library or any New Hampshire Depository Library.

These questions are not intended to be inclusive of every situation. If you have any questions regarding the taxability of any product or rental, please contact the Department at (603) 230-5920.

BUSINESS NAME _____

STATE OF NEW HAMPSHIRELICENSE NUMBER

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Note:
(This is the Operator's six digit License number, not FEIN or SSN)PIN

Enter PIN on TELEFILE or E-FILE

THIS WORKSHEET MUST BE COMPLETED PRIOR TO FILING THE NH MEALS & RENTALS RETURN

For the month of	January	February	March	April	May
Filing due date	02/15/2012	03/15/2012	04/16/2012	05/15/2012	06/15/2012

RECEIPTS FROM MEALS AND BEVERAGES

1	Tax Excluded Receipts				
2	Meals Tax @ 9% (Line 1 multiplied by .09)				
3	Tax Included Receipts				
4	Meals Tax @ 8.26% (Line 3 multiplied by .0826)				
5	TOTAL MEALS TAX (Line 2 plus Line 4)				

RECEIPTS FROM RENTALS

6	Room Rental Receipts				
7	Permanent Resident Receipts				
8	Taxable Room Rental Receipts Line 6 minus Line 7				
9	TOTAL ROOM RENTAL TAX Check rate used. <input type="checkbox"/> .09 <input type="checkbox"/> .0826 Line 8 multiplied by .09 or .0826 if tax included.				
10	Motor Vehicle Rental Receipts				
11	TOTAL MOTOR VEHICLE RENTAL TAX Check rate used. Line 10 x rate, <input type="checkbox"/> .09 if tax excluded, <input type="checkbox"/> .0826 if tax included. Round to nearest dollar.				
12	TOTAL TAX (Line 5 plus Line 9 plus Line 11)				

DEDUCTIONS AND ADDITIONS

13	Commission (Line 12 multiplied by .03) See 3% commission requirement in General Instructions.				
14	Advanced Payment or Credit Memo				
15	TOTAL DEDUCTIONS (Line 13 plus Line 14)				
16	Interest (See instructions)				
17	Penalty for Failure to Pay (See instructions)				
18	Penalty for Failure to File (See instructions)				
19	TOTAL ADDITIONS (Sum of Lines 16, 17 & 18)				

20	TOTAL PAYMENT DUE (Line 12 minus Line 15 plus Line 19)				
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Payment authorized on Line 20 will be debited from your account the next business day after the filing due date

21	TAX EXEMPT MEALS & RENTALS RECEIPTS (See instructions)				
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January	February	March	April	May
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THE TELEFILE SYSTEM WILL PROVIDE A 10 DIGIT CONFIRMATION NUMBER TO VERIFY THE

22	CONFIRMATION NUMBER	_____	_____	_____	_____
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MEALS & RENTALS TAX WORKSHEET

2012

TELEFILE Telephone Number 1-800-328-4557
E-File at www.revenue.nh.gov

AND MUST BE RETAINED FOR THREE YEARS FROM THE DUE DATE OF THE TAX OR THE DATE THE RETURN IS FILED WHICHEVER IS LATER.

June	July	August	September	October	November	December	TOTAL
07/16/2012	08/15/2012	09/17/2012	10/15/2012	11/15/2012	12/17/2012	01/15/2013	2012

RECEIPTS FROM MEALS AND BEVERAGES

1							
2							
3							
4							
5							

RECEIPTS FROM RENTALS

6							
7							
8							
9							
10							
11							
12							

DEDUCTIONS AND ADDITIONS

13							
14							
15							
16							
17							
18							
19							
20							

above if the return is timely filed and on the next business day following the date the return was filed for late filed return.

21							
	June	July	August	September	October	November	December 2012

TRANSACTION. ENTER THE NUMBER IN THE APPROPRIATE SPACE BELOW.

22							
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MEALS & RENTALS TAX BOOKLET
WORKSHEET SAMPLEBUSINESS NAME XYZ Hotel, Restaurant & Auto RentalsLICENSE NUMBER **0 9 9 9 9 9** Note: This is the operator's six digit license number, not FEIN or SSN.PIN **Enter PIN on TELEFILE or E-FILE**For the month of January
Filing due date 02/15/2012**NOTE:** TELEFILE users will enter the bolded numbers on Lines 5, 9, 11 and 20 on the TELEFILE system.
E-FILE users should follow instructions on E-FILE system.

RECEIPTS FROM MEALS & BEVERAGES

1	Tax Excluded Receipts	27,000
2	Meals Tax @ 9% (Line 1 multiplied by .09)	2,430
3	Tax Included Receipts	14,000
4	Meals Tax @ 8.26% (Line 3 multiplied by .0826)	1,156
5	TOTAL MEALS TAX (Line 2 plus Line 4)	3,586

COMMON ERROR: Do not enter these numbers into TELEFILE.

Enter on TELEFILE

RECEIPTS FROM RENTALS

6	Room Rental Receipts	10,100
7	Permanent Resident Receipts	100
8	Taxable Room Rental Receipts Line 6 minus Line 7	10,000
9	TOTAL ROOM RENTAL TAX Check rate used. <input checked="" type="checkbox"/> .09 <input type="checkbox"/> .0826 Line 8 multiplied by .09 or .0826 if tax included.	900
10	Motor Vehicle Rental Receipts	5,000
11	TOTAL MOTOR VEHICLE RENTAL TAX Check rate used. Line 10 x rate, <input checked="" type="checkbox"/> .09 if tax excluded, <input type="checkbox"/> .0826 if tax included. Round to nearest dollar.	450
12	TOTAL TAX (Line 5 plus Line 9 plus Line 11)	4,936

Enter on TELEFILE

Enter on TELEFILE

FOR EXAMPLE:

XYZ Hotel, Restaurant and Auto Rental, License # 099999, a sample company, has the following sales in the month of January, 2012:

Net Receipts/Sales \$27,000.00
(tax not included in sale price)Gross Receipts/Sales \$14,000.00
(tax is included in sale price)

Room Rental Receipts..... \$10,100.00

Permanent Resident Receipts \$ 100.00

Motor Vehicle Rental Receipts \$ 5,000.00

DEDUCTIONS AND ADDITIONS

13	Commission (Line 12 multiplied by .03) See 3% commission requirement in General Instructions.	148
14	Advanced Payment or Credit Memo	0
15	TOTAL DEDUCTIONS (Line 13 plus Line 14)	148
16	Interest (See instructions)	0
17	Penalty for Failure to Pay (See instructions)	0
18	Penalty for Failure to File (See instructions)	0
19	TOTAL ADDITIONS (Sum of Lines 16, 17 & 18)	0

20	TOTAL PAYMENT DUE (Line 12 minus Line 15 plus Line 19)	4,788
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Enter on TELEFILE

Payment authorized on Line 20 will be debited from your account the next business day after the filing due date

21	TAX EXEMPT MEALS & RENTALS RECEIPTS (See instructions)	0
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January

22	CONFIRMATION NUMBER	<u>1 1 1 1 1</u> <u>1 1 1 1 1</u>
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NOTE: If you do not receive a confirmation number from either TELEFILE or E-FILE, your transaction did not transmit to the Department.

MEALS & RENTALS TAX BOOKLET**Meals & Rentals Operator's Tax Responsibilities**

The most common taxes encountered by holders of Meals and Rentals licenses are the Meals and Rentals, the Business Profits and Business Enterprise Taxes. The following information regarding these taxes is meant to provide a broad overview of these taxes, and is not intended to detail all of your obligations as a taxpayer. For example, in addition to these taxes, some operators may be subject to the Interest and Dividends Tax or the Communications Services Tax, which are not discussed here. It should also be noted that the obligations and penalties described here apply only to operators who are natural persons; corporate entities may face other penalties for tax law violations. The Department strongly encourages all operators to seek additional information regarding their tax obligations. Operators may also find it helpful to obtain the advice of a tax professional.

The Meals and Rentals Tax - RSA 78-A

The Meals and Rentals Tax is a 9% tax assessed upon rental of vacation homes, patrons of hotels and restaurants, and upon renters of motor vehicles. The tax is paid by the consumer, and is collected by the operator of the business providing the food, alcohol, room, or motor vehicle to the consumer. Operators are legally obligated to collect the appropriate tax from the patrons and to remit all taxes collected in accordance with RSA 78-A.

Operators must file a Meals and Rentals Tax Return and pay over the collected tax to the Department on a monthly basis. There are provisions for seasonal filings. The tax and the return must be paid to and filed with the Department on or before the 15th day of the month following the calendar month in which the tax was collected. For example, for taxes collected during the month of April, you must file a return and pay over those taxes to the Department by May 15. Operators who comply with the tax laws are permitted to retain 3% of the taxes. Those who fail to comply with the tax laws, however, are not entitled to retain any portion of the taxes collected, and face penalties for non-compliance. **As with failing to collect the tax, it is a Class B Felony to fail to truthfully account for and pay over the appropriate tax to the Department.** As an operator, you act as the conduit between the consumer and the State with regard to the Meals and Rentals Tax. **The money that you collect as Meals and Rentals tax does not lawfully belong to you. Accordingly, should you fail to pay over the collected tax to the State, you could also be charged with theft.** Depending on the amount of money at issue, you could be convicted of a Class A Felony, which carries a maximum penalty of 7½ to 15 years in the New Hampshire State Prison, in addition to other criminal and civil penalties.

Operators must file a return every month, regardless of whether they have had any activity during the previous month. Returns must be filed electronically, via touch-tone telephone or personal computer. **You are permitted to file a paper return only if your taxable revenue for the previous calendar year was less than \$25,000.**

Recordkeeping/Retention - RSA 78-A:19 and Rev 706.01

Operators must maintain records for three (3) years. Revenue Rule 706.01 (d) provides that in the event the operator's records are not adequate to make an accounting to the State for the tax collection liability, the Department shall determine a tax liability based on the records available and deny the 3% commission available under RSA 78-A:7, III.

The Business Prof ts Tax - RSA 77-A

The Business Profits Tax is imposed at a rate of 8.5% upon the taxable business profit of a business organization. Business organizations having in excess of \$50,000 in gross business income during the taxable period are required to file Business Profits Tax returns.

For businesses taxed federally as corporations, Business Profits Tax returns are due on the 15th day of the 3rd month following the end of the taxable period. Sole proprietorships and entities treated as partnerships federally must file their Business Profits Tax returns by the 15th day of the 4th month following the end of the taxable period. Non-profit organizations must file their returns by the 15th day of the 5th month following the end of the taxable period.

The Business Enterprise Tax - RSA 77-E

A 0.75% tax, is imposed on the enterprise value tax base of every business enterprise. The enterprise value tax base is the sum of all compensation paid or accrued, interest paid or accrued, and dividends paid by the business, after special adjustments and apportionment. Business enterprises with more than \$150,000 of gross business receipts during the taxable period, or an enterprise value tax base greater than \$75,000, are required to file a return.

Proprietorship, partnership and fiduciary returns are due on the 15th day of the 4th month following the end of the taxable period. Corporate returns are due on the 15th day of the 3rd month following the end of the taxable period. Non-profit returns are due on the 15th day of the 5th month following the end of the taxable period.

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
MEALS & RENTALS TAX RETURN



MAKE SUFFICIENT COPIES FOR ALL YOUR FILING PERIODS BEFORE FILLING OUT THIS FORM.

FOR DRA USE ONLY

BUSINESS NAME:

License Number

Tax Period (Mo/Yr)

**Due on the 15th day of
the month following the
close of the tax period.**

Amended
Return ☐

IF THIS IS YOUR FINAL RETURN, FILE FORM CD-100 AND GIVE REASON:

☐ ① Business Discontinued ☐ ② Change in Organization ☐ ③ Business Sold Last Day of Business _____

RECEIPTS FROM MEALS AND BEVERAGES

1	Tax Excluded Receipts.....	1		
2	Meals Tax on gross receipts at 9% (Multiply Line 1 by .09).....	2		
3	Tax Included Receipts.....	3		
4	Meals Tax at 8.26% (Multiply Line 3 by .0826).....	4		
5	Total Meals Tax (Line 2 plus Line 4).....	5		

RECEIPTS FROM RENTALS

6	Room Rental Receipts (eff. 7-1-2009 through 5-2-2010 include campsites).....	6		
7	Permanent Resident Receipts.....	7		
8	Taxable Room Rental Receipts (Line 6 minus Line 7).....	8		
9	Total Room Rental Tax (Multiply Line 8 by .09 or .0826).....Check rate used: <input type="checkbox"/> .09 <input type="checkbox"/> .0826	9		
10	Motor Vehicle Rental Receipts.....	10		
11	Total Motor Vehicle Rental Tax (Multiply Line 10 by .09 or .0826)....Check rate used: <input type="checkbox"/> .09 <input type="checkbox"/> .0826	11		
12	Total Tax (Line 5 plus Line 9 plus Line 11).....	12		

DEDUCTIONS AND ADDITIONS

13	Commission (Line 12 multiplied by .03.) (See 3% commission eligibility requirement in General Instructions)	13		
14	Original Return Payment/Credit Memo/Estimated Payments.....	14		
15	Total Deductions (Line 13 plus Line 14).....	15		
16	Interest (See instructions).....	16		
17	Penalty for Failure to Pay (See instructions).....	17		
18	Penalty for Failure to File (See instructions).....	18		
19	Total Additions (Sum of Lines 16, 17 & 18).....	19		
20	Total Due (Line 12 minus Line 15, plus Line 19) Make check payable to State of New Hampshire..... Enclose, but do not staple or tape, your payment with the return.	20		
21	Tax Exempt Meals & Rentals Receipts	21		

FOR DRA USE ONLY

Under penalties of perjury, I declare that I have examined this form and to the best of my belief it is true, correct and complete.
If prepared by a person other than the operator, this declaration is based on all information of which the preparer has knowledge.

X

SIGNATURE (IN INK) (Failure to sign may result in the assessment of penalties.)

PREPARER OTHER THAN OPERATOR

DATE

TELEPHONE NUMBER DATE

PRINT PREPARER'S NAME & TAX IDENTIFICATION NUMBER

MAIL NH DRA
DOCUMENT PROCESSING DIVISION
TO: PO BOX 2035
CONCORD NH 03302-2035

PREPARER'S ADDRESS

CITY/TOWN, STATE, ZIP CODE

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
MEALS & RENTALS TAX RETURN
LINE-BY-LINE INSTRUCTIONS

Meals & Rental Operators may file electronically on the Department's website at www.nh.gov/revenue.

If you have questions, call (603) 230-5920.

ENTER your business name on the line provided.

ENTER your **six (6)** digit Meals & Rentals Tax Operators License number in the block.

ENTER the taxable period. Check the appropriate box to indicate if this return is amended or final. If final, indicate reason and last day of business.

Receipts from Meals & Beverages

LINE 1 Enter the net receipts/net sales for the period for items sold if the tax **is not** included in the price of the item sold.

LINE 2 Multiply Line 1 x .09 and **Enter** on Line 2.

LINE 3 Enter the gross receipts/gross sales for the period for items if the tax **is** included in the price of the item sold.

LINE 4 Multiply Line 3 x .0826 and **Enter** on Line 4.

LINE 5 Enter the TOTAL MEALS TAX, Line 2 plus Line 4. Round to the nearest dollar and **ENTER WHOLE DOLLARS ONLY.**

Receipts from Rentals - See RSA 78-A:3, III for a list of taxable accommodations.

LINE 6 Enter the total room rental receipts minus any tax-exempt amount described on Line 21. Effective 7/1/2009 through 5/2/2010, campsites are included as taxable rentals.

LINE 7 Enter permanent resident receipts. (Receipts received from occupants having greater than 185 days of continuous occupancy are not subject to the Meals & Rentals Tax.)

LINE 8 Enter the taxable room rental receipts, Line 6 minus Line 7.

LINE 9 Enter the TOTAL ROOM RENTAL TAX. Check the rate which applies. Line 8 x rate, .09 if tax excluded or .0826 if tax included. Round to the nearest dollar and **ENTER WHOLE DOLLARS ONLY.**

LINE 10 Enter the total motor vehicle rental receipts.

LINE 11 Enter the TOTAL MOTOR VEHICLE RENTAL TAX. Check the rate which applies. Line 10 x rate, .09 if tax excluded or .0826 if tax included. Round to the nearest dollar and **ENTER WHOLE DOLLARS ONLY.**

LINE 12 Enter the total amount of tax, by adding Line 5 plus Line 9 plus Line 11 to calculate the total amount of the tax.

NOTE: Operators who substantially understate their tax on Line 12 may be assessed a penalty by the Department in the amount of 25% of any underpayment of the tax. A substantial understatement is one which exceeds the greater of 10% of the amount of tax (Line 12) or \$5,000.

Deductions and Additions

Commission of 3% may be taken by operators who timely file in accordance with RSA 78-A:8. Commission MAY NOT be deducted by an operator not meeting the requirements of RSA 78-A:7, III. (See eligibility requirements for 3% commission and paper returns in General Instructions of the Meals & Rentals Tax Booklet.)

Deductions:

LINE 13 Multiply Line 12 x .03 and **Enter** total on Line 13.

LINE 14 Enter payments made in advance of the due date for the current tax period **or** for any Credit Memo you have **received** from the Department.

LINE 15 Enter total deductions, Line 13 plus Line 14.

LINE 16 INTEREST: Interest is calculated on the balance of tax due from the original due date to the date paid. Tax due x number of days from due date to date tax was paid x daily rate decimal equivalent of 0.000164 for 2012.

LINE 17 FAILURE TO PAY: A penalty equal to 10% of any nonpayment or underpayment of taxes shall be imposed if the taxpayer fails to pay when due. If the failure to pay is due to fraud, the penalty shall be 50% of the amount of the nonpayment or underpayment.

LINE 18 FAILURE TO FILE: A taxpayer failing to timely file a complete return will be subject to a penalty equal to 5% of the tax due (on Line 12) or \$10, whichever is greater, for each month or part thereof, that the return remains unfiled. The total amount of this penalty shall not exceed 25% of the balance of tax due (of Line 12) or \$50, whichever is greater. Calculate this penalty starting from the original due date of the return until the date a complete return has been filed.

LINE 19 Enter the total of Lines 16 through 18 to calculate the total additions to tax.

LINE 20 Enter the total due (Line 12 minus Line 15 plus Line 19).

LINE 21 Enter tax exempt Meals & Rentals receipts.

SIGNATURES

The return must be signed in ink and dated by the taxpayer. If the return was completed by a paid preparer, then the preparer must also sign in ink and date the return. The preparer must also enter their federal employer identification number or federal preparer tax identification number and complete address.